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No. 88-613

IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

E. I. DU PONT DE NEMOURS & COMPANY,
Petitioner,

v.

PHILLIPS PETROLEUM COMPANY, PHILLIPS 66 COMPANY, and PHILLIPS DRISCOPIPE, INC.,
Respondents.

REPLY BRIEF IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

JOHN O. TRAMONTINE
875 Third Avenue
New York, New York 10022-6250
Tel.: (212) 715-0600

Attorney for Petitioner

Of Counsel:
EDWARD F. MULLOWNEY
GLENN A. OUSTERHOUT
THOMAS J. VETTER
FISH & NEAVE
875 Third Avenue
New York, New York 10022-6250
Tel.: (212) 715-0600

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TABLE OF CONTENTS

	PAGE
TABLE OF AUTHORITIES	ii
I. THE IMPORTANCE OF THE FEDERAL QUESTION PRESENTED FOR REVIEW	1
II. THE FEDERAL CIRCUIT HOLDING IS DIRECTLY CONTRARY TO *UNITED STATES* v. *ADAMS*	4
III. THE FEDERAL CIRCUIT ERRED IN PREVENTING THE DISTRICT COURT FROM EXERCISING ITS EQUITY JURISDICTION	8
IV. CONCLUSION	10

TABLE OF AUTHORITIES

	PAGE
Cases	
Altoona Theatres v. *Tri-Ergon Corp.*, 294 U.S. 477 (1935)	7n
Brooks v. *Fiske*, 15 How. 212 (U.S. 1853)	6n
Cimiotti Unhairing Co. v. *Am. Fur Ref. Co.*, 198 U.S. 399 (1905)	6n
Evans v. *Eaton*, 7 Wheat. 356 (U.S. 1822)	6n
Foxboro Co. v. *Taylor Instrument Companies*, 157 F.2d 226 (2 Cir. 1946), cert. denied, 329 U.S. 800 (1946)	8n
Graver Mfg. Co. v. *Linde Co.*, 336 U.S. 271 (1949), reversing 167 F.2d 531 (7 Cir. 1948), affirming in part and reversing in part 86 F.Supp 191 (N.D.Ind. 1947)	7n
Graver Mfg. Co. v. *Linde Co.*, 339 U.S. 605 (1950)	3n, 7-8, 8n
Loctite Corp. v. *Ultraseal Ltd.*, 781 F.2d 861 (Fed.Cir. 1985)	8n
McCarty v. *Lehigh Valley Railroad Co.*, 160 U.S. 110 (1895)	6n
McClain v. *Ortmayer*, 141 U.S. 419 (1891)	6n
Merrill v. *Yeomans*, 94 U.S. 568 (1876)	6n
Texas Instruments v. *U.S. Intern. Trade Com'n*, 805 F.2d 1558 (Fed.Cir. 1986)	3n
United States v. *Adams*, 383 U.S. 39 (1966)	2, 3, 4, 5, 6n, 10
White v. *Dunbar*, 119 U.S. 47 (1886)	6n
Yale Lock Company v. *Greenleaf*, 117 U.S. 554 (1886)	6n
Statutes	
35 U.S.C. §112	7

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I. THE IMPORTANCE OF THE FEDERAL QUESTION PRESENTED FOR REVIEW

Phillips in opposing Du Pont's petition attempts to obscure the important federal question presented for review with a smoke-screen of speculation — speculation that the District Court on remand will decide adversely to Du Pont, speculation that the Patent Office will grant Phillips' pending request for reexamination and then decide adversely to Du Pont, and speculation that the Patent Office reissue proceedings (now stayed) will be resumed and decided adversely to Du Pont. On the basis of that speculation, Phillips asserts that this petition is premature. Yet Phillips, on August 17, 1988, sent a letter to the District Court Judge urging him not to commence proceedings on remand because, if this petition is granted, "the law which would be applicable to any proceeding on remand, including any issues regarding claims 1 and 12 of the '698 patent-in-suit,

would be determined by the decision of the Supreme Court" and therefore "it would appear premature to begin consideration of the appropriate proceedings on remand until the Supreme Court acts."

But even if all of Phillips' speculation became fact, it would not change the Federal Circuit's holding or the impact of that holding on the important federal question of patent claim construction which had been decided by this Court in *United States* v. *Adams*, 383 U.S. 39 (1966).

The Federal Circuit first held — directly contrary to *Adams* — that patent claims cannot be construed by reading the claims with the essential discovery of the invention clearly disclosed in the specification to sustain their validity. The Federal Circuit proceeded from that erroneous rule of construction to reverse the District Court and hold claims 2, 5, 10 and 14 of the Du Pont '698 patent invalid as anticipated by the work of Witt and Leatherman, notwithstanding that it accepted the District Court's finding that Witt and Leatherman did not make the essential discovery of the '698 patent.[1]

The claims so held invalid (claims 2, 5, 10 and 14) are not involved on remand in the District Court nor will they be involved in any reexamination proceeding or reissue proceeding in the Patent Office.

The importance of the federal question of patent claim construction is demonstrated by this case. Given the undisturbed findings of fact by the District Court, the rule of patent claim construction to be applied was determinative of the validity or invalidity of those claims of the '698 patent. The construction of patent claims also is the premise on which patent infringement is determined. Thus, the rules to be applied in construing claims go to the heart of the worth or value of a United States patent.

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[1]The statement by the Federal Circuit (A9-10), that "it is conceded . . . that claims 2, 5, 10 and 14 are anticipated . . . ," is correct only if the rule of patent claim construction applied by the Federal Circuit is correct.

The rule of patent claim construction set forth by this Court in *Adams* is an equitable rule that insures to the inventors, as well as to those who create new industries and jobs with their inventions, that they will be treated fairly and equitably. The rigid, legalistic rule of patent claim construction applied by the Federal Circuit discards fairness and equity in favor of precision in word selection.[2] Word selection is the craft of patent and other attorneys. But patents do not exist for nor are they directed to attorneys. They exist for the protection of inventors and investors and are directed to those skilled in the particular art.

Here, the testimony at trial (CA297) established that one skilled in this art would read the claims of the '698 patent with the essential discovery of the patent, clearly stated in its specification, to distinguish those claims from the work of Witt and Leatherman who did not make that discovery. That is exactly how those claims were construed by the District Court in reliance on *Adams*. To invalidate those claims solely because their wording could have been more precise is simply wrong and a disservice to inventors who contribute to the advancement of our society.[3]

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[2]The Federal Circuit also has signalled a retreat from the doctrine of equivalency, another equitable rule of patent claim construction, as settled by this Court in *Graver Mfg. Co.* v. *Linde Co.*, 339 U.S. 605 (1950). In *Texas Instruments* v. *U.S. Intern. Trade Com'n*, 805 F.2d 1558 (Fed.Cir. 1986), the Federal Circuit held that there was no infringement under the doctrine of equivalents, referring to that doctrine as "a deviation from the need of the public to know the precise legal limits of patent protection without recourse to judicial ruling." Id. at 1572.

[3]The fact that Witt and Leatherman did their work before the Du Pont inventors made their discovery was not revealed until years after the '698 patent had issued. To charge the Du Pont patent attorney with using precise words in the patent claims to distinguish prior work by others that could not possibly be known to him is to ask the impossible.

II. THE FEDERAL CIRCUIT HOLDING IS DIRECTLY CONTRARY TO *UNITED STATES* v. *ADAMS*

In spite of Phillips' efforts, the Federal Circuit's decision cannot be reconciled with *United States* v. *Adams*, 383 U.S. 39 (1966). Phillips admits that the Federal Circuit's attempt to distinguish *Adams* is premised on the position that "*Adams* involved an assertion that the claims were invalid for obviousness, not anticipation" (Opposition 4).

That *Adams* involved an assertion that the claims were invalid for anticipation, as well as obviousness, is plain from this Court's opinion and from the briefs of the parties. For example, in the Brief for the United States, the argument section begins with a multi-page argument entitled "The Adams Battery Was Not New" (pp. 14-18). The Government argued (pp. 14-15):

> "Under this criterion [35 U.S.C. §§ 101 and 102(a)], we submit that it is clear that the Adams battery was not new. As set forth in the Statement, supra, the essential element of invention found in the Adams battery by the Court of Claims was the alleged combination for the first time, in a battery with a liquid electrolyte, of electrodes principally composed of magnesium and cuprous chloride in a liquid electrolyte. Under Section 102(a), therefore, the combination of these elements as electrodes by Adams was not new and, hence, not patentable."

In the same section, the Government argued (p. 17) that the

> "claims of the Adams patent were shown to differ from Skrivanoff only in the electrolyte [water] used . . . and the composition of the electrolyte is not even described in the Adams claims relied upon as supporting patentability."

It was not until the following section of its brief (pp. 19-23) that the Government argued obviousness.

This Court recognized that anticipation (lack of novelty) as well as obviousness were being asserted by the Government, stating at the outset of its validity discussion:

> "The Government challenges the validity of the Adams patent on the grounds of lack of novelty under 35 U.S.C. § 102(a) (1964 ed.) as well as obviousness under 35 U.S.C. § 103 (1964 ed.)." 383 U.S. at 48.

This Court went on to discuss those assertions in carefully separated paragraphs. Anticipation (lack of novelty) is discussed in the full paragraph on page 50 of the opinion, and obviousness is discussed in two paragraphs beginning on page 51 of the opinion.[4] And it is in the novelty paragraph on page 50 that this Court distinguished the prior art Skrivanoff reference on the basis of the water electrolyte, the essential feature of the Adams invention which was not explicitly recited in the asserted claims of the Adams patent:

> "We believe that the Court of Claims was correct in concluding that the Adams battery is novel. Skrivanoff disclosed the use of magnesium in an electrolyte completely different from that [water] used in Adams." Id. at 50.

The Federal Circuit's statement that in *Adams*, this Court "discussed the water feature *only* when considering rebuttal of defendant's argument of obviousness" (A7, emphasis added), is the error that led the Federal Circuit to espouse a rule of patent claim construction that is directly contrary to *Adams*.

In its opposition, Phillips has not even attempted to deal with the fact that this Court in *Adams* relied on the essential water electrolyte in resolving the anticipation issue. Phillips likewise has failed to address the Federal Circuit's erroneous conclusion that this Court considered that essential water electrolyte "only" for purposes of obviousness. Instead, Phillips resorts to rewriting the Federal Circuit's decision. Phillips says "[a]s the Federal Circuit pointed out (A7-8) the real focus of *Adams* was whether the admittedly novel combination of electrodes would have been *obvious* under 35 U.S.C. § 103" (Opposition 10). The Federal Circuit said no such thing.

[4]The intervening paragraph bridging pages 50-51 deals with the Government's "mere substitution" or equivalency argument.

None of Phillips' "venerable line" of Supreme Court cases (Opposition 11) holds as Phillips implies that an element which is disclosed in the specification as the essential discovery of the invention cannot be read with the patent claims to distinguish a prior art reference.[5]

Phillips' other arguments, i.e., that application by the judiciary of this equitable rule of patent claim construction would be contrary to the statutory requirement that the in-

[5]As we have already shown (Petition 12-13), the language Phillips quotes (Opposition 11) from *McCarty* v. *Lehigh Valley Railroad Co.*, 160 U.S. 110 (1895), does not conflict with *Adams*. In *Evans* v. *Eaton*, 7 Wheat. 356, 432-35 (U.S. 1822), a patent asserted to cover an improvement to an existing machine was held invalid because the nature and extent of the improvement was not set forth in the specification. In *Brooks* v. *Fiske*, 15 How. 212, 219-21 (U.S. 1853), this Court determined, after considering the claim in connection with both the specification and the drawings, that the specific combination and arrangement of parts was the only novelty of the patent. Thus, the defendant's different combination and arrangement did not infringe. In *Merrill* v. *Yeomans*, 94 U.S. 568, 571-73 (1876), the patent claimed a process for making a certain type of oil. The party charged with infringement used a different process to make the oil and this Court rejected the patent owner's attempt to construe the claims to cover the particular oil made rather than the process. In *Yale Lock Company* v. *Greenleaf*, 117 U.S. 554 (1886), this Court concluded that a claim could not be enlarged by language used in other parts of the specification and that the non-claimed distinction asserted over the prior art "could not be called invention, and ought not to be dignified by letters-patent." Id. at 559. *White* v. *Dunbar*, 119 U.S. 47 (1886), related to a reissue patent where the patentee sought to rely on an "object of the invention" to support broader reissue claims which were found to be invalid because the statutory period for a broadened reissue had expired. *McClain* v. *Ortmayer*, 141 U.S. 419 (1891), involved infringement. This Court determined that the patent in question including the "whole tenor of the specification" pointed to the use of a double hook for sweat pads on a horse collar. Id. at 423. Thus, defendant's sweat pads which utilized a single hook did not infringe. *Cimiotti Unhairing Co.* v. *Am. Fur Ref. Co.*, 198 U.S. 399 (1905), focused on whether essential elements could be read out of claims which referred to both a stationary bar and a stationary card, neither of which were elements of the alleged

(footnote continued on following page)

vention be particularly pointed out in the claims (35 U.S.C. § 112), would be contrary to the examination system entrusted to the Patent Office and would change the scope of patent claims without following the statutory procedure for reissue of a patent, are all arguments that have been considered before by this Court and rejected. Those same arguments were advanced against the equitable "doctrine of equivalency" rule of claim construction and rejected by this Court in *Graver Mfg. Co.* v.

(footnote continued from preceding page)
infringer's machine. This Court determined that these elements could not be read out of the patent and, hence, no infringement had occurred. 198 U.S. at 413-15. In *Altoona Theatres* v. *Tri-Ergon Corp.*, 294 U.S. 477 (1935), the specification of a patent on a phonographic mechanism made it plain that the invention was based on the addition of a flywheel to an already known mechanism. This Court found that adding a flywheel was not inventive and rejected an attempt to save the flywheel claims by adding to them various other elements of the mechanism. In *Graver Mfg. Co.* v. *Linde Co.*, 336 U.S. 271 (1949), the District Court held invalid two broad genus claims (24 and 26) which included inoperative species. In declining to limit the genus claims to specific materials disclosed in the specification, the District Court relied on authority that limitations should not be read in when the patentee intended to cover a broader monopoly. *Linde Air Products Co.* v. *Graver Tank & Mfg. Co.*, 86 F.Supp. 191, 198-99 (N.D.Ind. 1947). The Court of Appeals concluded that the record did not support the conclusion that the patentee intended to claim the broader monopoly. *Linde Air Products Co.* v. *Graver Tank & Mfg. Co.*, 167 F.2d 531, 537-38 (7 Cir. 1948). This Court, however, agreed with the District Court, and explained that the claims "fail . . . to perform their function as a measure of the grant when they overclaim the invention." 336 U.S. at 277. Here, there is no evidence that Du Pont intended to overclaim the invention of the '698 patent by claiming higher alpha-olefin copolymers that could be made in such a way that they would not have superior properties, i.e., copolymers that nobody, knowing the invention of the '698 patent, would make. On the contrary, the prosecution history of the '698 patent shows that the prior art rejections were withdrawn only after Du Pont argued the patentability of the claimed copolymers on the basis of the unexpected superior impact strength and stress crack resistance obtained with those copolymers (CA4269-73, CA4379-80). One skilled in this art reading the '698 patent would conclude that the only higher alpha-olefin copolymers intended to be covered by the claims were those with the superior impact strength and superior stress crack resistance that Du Pont discovered can be achieved with those copolymers (CA271, CA297).

Linde Co., 339 U.S. 605 (1950). Those arguments are found in its dissent. Id. at 612 et seq.[6]

III. THE FEDERAL CIRCUIT ERRED IN PREVENTING THE DISTRICT COURT FROM EXERCISING ITS EQUITY JURISDICTION

Phillips mischaracterizes Du Pont's argument that the Federal Circuit erred in preventing the District Court from exercising its equity jurisdiction. Du Pont is not asserting that there is a "supposed intra-circuit conflict" for this Court to resolve on certiorari (Opposition 14).[7] Du Pont's position is that the Federal Circuit applies two different rules of claim construction, an equitable rule for purposes of infringement — limitations may be read into claims from the specification or prosecution history — and a rigid, legalistic rule for purposes of validity — no limitation may be read into the claims, even where as here it is the essential discovery of the invention.

Phillips argues that there is no inconsistency between these rules (Opposition 13-14). But the facts of this case demonstrate the inconsistency and inequity of having different rules of claim construction for purposes of infringement and for purposes of

[6] *Foxboro Co.* v. *Taylor Instrument Companies*, 157 F.2d 226 (2 Cir. 1946), relied on by Phillips (Opposition 13), was decided before this Court's *Graver* decision. Furthermore, it does not support Phillips' argument because, in the discussion which follows the language quoted by Phillips, the Court of Appeals stated with reference to the elements sought to be read into the claims:

> "[N]either the claims nor the specifications so much as intimated that either of these features was an element of the invention." 157 F.2d at 232.

The Court of Appeals went on to hold that these elements did not distinguish the prior art and, even if read in, "would not save" the claims. Id. at 233.

[7] Phillips faults Du Pont for not citing *Loctite Corp.* v. *Ultraseal Ltd.*, 781 F.2d 861 (Fed.Cir. 1985) in Du Pont's petition for rehearing in banc by the Federal Circuit. But Phillips itself had cited *Loctite* as well as other Federal Circuit cases in its appellate briefs to support its non-infringement argument that the prosecution history of the '698 patent should be read with the claims to limit their scope.

validity. As we have pointed out (*supra*, fn. p. 7), the prosecution history of the '698 patent shows that the prior art rejections were withdrawn and the claims allowed by the Patent Office only after Du Pont argued the patentability of the claimed copolymers on the basis of the unexpected superior impact strength and stress crack resistance obtained with those copolymers (CA4269-73, CA4379-80). For example, Du Pont specifically relied on the "very high film strength and impact resistance measured, for instance, by high Elmendorf tear strength values and by remarkable environmental stress-crack resistance" of the claimed copolymers (CA4269).

Having obtained the '698 patent on that basis, the claims of that patent would be construed under the equitable rule for purposes of infringement as being limited in scope to copolymers having those superior properties. Because there was no evidence that the Witt and Leatherman copolymers had those superior properties, they would not be within the scope of the claims.[8] Yet under the legalistic rule applied by the Federal Circuit for purposes of validity, the claims are not limited to copolymers having those superior properties and are therefore anticipated by the Witt and Leatherman copolymers.

Application of the same rules of claim construction for purposes of both validity and infringement avoids this inconsistent and inequitable result.

[8] The District Court found that all of the infringing Phillips copolymers had those superior properties (A125).

IV. CONCLUSION

The Federal Circuit has exclusive nationwide jurisdiction over the important federal question presented for review. There is no potential for a conflict between the circuits on that question. Thus, it is necessary that this Court exercise its supervisory authority to insure that its *United States* v. *Adams* precedent is followed. The District Courts throughout the nation should not be prevented by the Federal Circuit's decision from exercising their equity jurisdiction in determining the validity of U.S. patents.

Respectfully submitted,

JOHN O. TRAMONTINE
Fish & Neave
875 Third Avenue
New York, New York 10022-6250
Tel.: (212) 715-0600

Attorney for Petitioner

Of Counsel:

Edward F. Mullowney
Glenn A. Ousterhout
Thomas J. Vetter
Fish & Neave
875 Third Avenue
New York, New York 10022-6250
Tel.: (212) 715-0600

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